

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 1
Cancelling PSC No. 3
Original Sheet No. 1

RULES AND REGULATIONS

I. Application of Rules and Regulations

These Rules and Regulations apply to each and every customer. They are a part of every contract for service made by the system, unless modified by special terms written therein, and govern all classes of service. Copies are on file in the System's offices and are open to inspection by the public.

They may be revised, amended, supplemented or otherwise changed from time to time in accordance with provisions of the Board of Directors and such changes shall have the same force as the present ones.

II. Application for Service

1. Service Contract

The System will require each prospective member to sign an application for each service and to agree to abide by the Rules and Regulations and Standard Requirements of the System.

2. Place of Application

Application must be made at the office of the System or to a duly authorized agent or employee.

3. Contract Data

The application shall contain a description of the premises to be served, whether applicant is owner, agent or tenant of the premises, and such other information the System may reasonably desire.

4. Conditions of Service

The System reserves the right to reject any application for service to any persons who have not complied with the Cooperative's Rules and Regulations or to applicants who request a service not available from the existing system or which would jeopardize the supply of electricity to its members at the time of the request.

5. Prior Debts

Service will not be furnished to former customers until any indebtedness to the System for previous service has been satisfied except as specified under 807 KAR 5:006 Section 15.

6. Special Contracts

Standard contracts shall be for a term of one year, but where large or special investment is necessary for the supply of service, contracts of longer term, or with special guarantee of revenue, or both, may be requested to safeguard such investment. All such contracts will be submitted to the Public Service Commission for approval.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 2
Cancelling PSC No. 3
Original Sheet No. 2

RULES AND REGULATIONS

7. Acceptance

An application or contract when accepted by an officer or an authorized agent of the System, shall constitute the contract between the customer and the System, and no agent has power to modify, alter, or waiver any of its conditions.

III. Determination of Applicable Rate Schedule

The applicable rate schedule is determined in accordance with the members required transformer capacity.

1. Required Transformer Capacity

The term "required transformer capacity" used in connection with determining the applicable rate schedule shall be taken to mean the capacity which is required to carry the customer's load rather than the capacity installed. The system may find it convenient or advisable to install larger transformers than actually required. Where two or more customers are serviced from the same transformer, the applicable rate schedule shall be based on the transformer capacity which would normally be installed for his individual requirements.

2. In the event that two or more structures are served from a single metering point the required transformer capacity will be determined by the combined total capacity of the structure.

IV. Deposit

1. Requirement of Deposit

Where an applicant's credit is not established, or where the credit of a customer has been impaired by either the failure to pay within 15 days of the date of bill, the issuance of checks not honored by the customer's financial institution, or the use of electric service obtained thru fraudulent or illegal means, a deposit or other guarantee may be required as security for the payment of future and final bills before the system can render or continue to render service.

2. Amount of Deposit

Residential, business and commercial customer's deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12 month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 02/12 of the customer's actual or estimated annual bill where bills are rendered monthly, 3/12 where bills are rendered bi-monthly, or 4/12 where bills are rendered quarterly.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 3
Cancelling PSC No. 3
Original Sheet No. 3

RULES AND REGULATIONS

3. Refund of Deposit

The deposit will be refunded after two(2) years of continuous uninterrupted service provided the customer has made payment in full of each monthly bill within 15 days of the date of bill, has not had any checks returned not honored by the bank or has not obtained service thru fraudulent or illegal means. In the event the customer ceases to be a member of the Cooperative and no longer requires service, the deposit will be refunded upon payment of all charges due the system under the applicable rate schedule or electric service agreement.

4. Recalculation of Deposit

Deposits will be recalculated after 18 months if requested by the consumer. Amounts of variances greater than \$10.00 for residential or 10% for nonresidential may be either refunded or collected expects no refunds will be made if the customer's bill is delinquent at the time of recalculation.

5. Interest

Interest at the annual rate of six percent (6%) will be paid as required KRS 278.460. The interest will be credited to the account when the deposit is refunded or annually if the deposit is retained by the Cooperative.

V. Customer's Wiring and Equipment

1. Customer's Installation

Customer's service entrance equipment and meter connections shall be installed in accordance with instruction of system and shall be subject to inspection and approval by system and other agencies having jurisdiction. Meter installations shall be accessible to the system's employees at all times and shall not be located within the confines of any buildings or other permanent structure.

System may refuse to make connections to customer or to continue service whenever in its judgment such installation is not in proper operating condition, or is in conflict with the standards established by the system or by the inspecting agency.

2. Motor Starting Requirements

All installations of power loads on REA systems must conform to the rules and regulations as set forth in the National Electrical Safety Code.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 4
Cancelling PSC No. 3
Original Sheet No. 4

RULES AND REGULATIONS

The following general requirements should be adhered to in all power installations:

- a. Single Phase: The maximum size single phase motor acceptable shall be 10HP. In the event any motor causes objectionable light flicker or excessive line voltage dip, the owner must provide line starting equipment or other corrective measures to eliminate the problem.

Phase convertors for use on single phase installations to operate three phase motors may be acceptable on special applications. Their usage will be very limited depending upon motor sizes and design and distribution line characteristics and must be approved by the system.

- b. Three Phase: Motors rated 15 hp or larger shall be provided with line starting equipment or other corrective equipment adequate to prevent intolerable light flicker or voltage dip that has an adverse effect on other consumers on the line. Motors smaller than 15 hp may require adequate starting equipment if their usage and/or design is such that they cause unacceptable flicker or voltage dip. In any event each multi-phase installation must be analyzed and approved by the system prior to installation.

3. Arc Welding Installations

Single phase arc welders are a source of trouble from a voltage regulation standpoint as well as a hindrance to radio reception and shall be limited to sizes which do not create more than 3% voltage drop on the secondary. Larger welders should be operated from motor-generators.

Large transformer type or multi-phase welders which cause more than 1 ½% voltage on the primary distribution system will not be permitted. All installations must be approved by the system.

4. Point of Delivery

The customer should communicate with the System, giving exact location of the premises and the details of all current consuming devices which are to be installed. Upon receipt of such information the System will designate a point of delivery at which service connections will terminate and near which the customer must provide, free of expense to the System, a suitable place, satisfactory of the System, for the transformer or transformers, meter or meters, or other equipment of the System, which may be necessary for the fulfillment of such contracts as the customer may enter into with the System.

5. Service Extension

Wiring of any premises for connection to overhead lines must be brought outside of the building wall to a location designated or approved by the System at which point the wiring must extend at least three feet for attachment to the System's service supply lines.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 5
Cancelling PSC No. 3
Original Sheet No. 5

RULES AND REGULATIONS

6. Underground Service

Customers desiring an underground service from overhead wires must bear the excessive cost incidental thereto. Specifications and terms for such construction will be furnished on request.

7. Non-Standard Service

Customers shall own, maintain and operate all substation and transforming equipment where voltage, phase, or frequency is desired other than at which service is rendered and metered under the terms of the applicable rate schedule.

8. Service Connection

Service connections will not be made until the wiring of the premises is actually in progress or has been completed in accordance with the System's Standard Requirements. This is necessary for the protection of the customer and the System is not responsible for any defect in the wiring or devices on customer's premises.

9. Limit of Responsibility

System will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines, equipment or apparatus, unless specifically provided for in schedules or agreements, except meters and meter accessories, beyond this point.

10. Supply Equipment Size

The system will determine the size of all transformers, service conductors, and related service equipment needed to provide adequate service based on information provided by the member or his representative and/or experience from similar service installations.

11. Generators

Auxiliary generators owned or used by members must be connected to the members wiring in such a manner as to automatically disconnect the service from the Cooperative distribution system thus avoiding the hazards present through paralleling of the prime and auxiliary power sources.

In the event a member does not provide an automatic disconnect the system reserves the right to disconnect the prime power source until such time that the member corrects the problem to the satisfaction of the Cooperative.

VI. Customer's Responsibility

1. Nature of Service

System's undertaking extends only to the supplying of service at the point of delivery. Customer is warned of the risk of damage to property and the possibility of fire or personal injury resulting from

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 6
Cancelling PSC No. 3
Original Sheet No. 6

RULES AND REGULATIONS

improper wiring and manner of attachment or use and maintenance of electric appliances, fixtures and apparatus and is advised to allow no one except experienced and capable electricians to install or make any change, alteration, additions, or repairs to any part of customer's installation.

2. Customer's Liability

Customer assumes full responsibility for the current upon customer's premises at and from the point of delivery thereof, and for the wires, apparatus, devices and appurtenances thereon used in connection with the service. Customer shall indemnify, save harmless and defend the system against all claims, demands, cost or expense for loss, damage or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of current by customer on customer's side of point of delivery.

3. Changes in Customer's Wiring and Equipment

All equipment supplied by the System for the use of each customer has a definite capacity and for this reason, it shall be the responsibility of the customer to notify the system in writing before any change is made in the load characteristics or change of purpose, or of location of, his installation. Failure to give such notice shall render the customer liable for any damage to meters or accessories, transformers, or wires, of the System, caused by additional or changed installation.

4. Protection by Customer

Customer shall protect the equipment of the system on his premises and shall not interfere with or alter or permit interference with or alteration of System's meters or other property except by duly authorized representatives of the System.

For any loss or damage to the property of the System due to, or caused by, or arising from, carelessness, neglect or misuse by customer or other unauthorized persons, the cost of the necessary replacement and repairs shall be paid for by customer.

5. Tampering

If the meters or other property belonging to the System are tampered or interfered with, the customer being supplied through such equipment shall pay the amount which the System may estimate is due for service rendered but not registered on the System's meter, and for such replacements and repairs as are necessary as well as for costs of inspection investigation and protective installations.

VII. Access to Premises

Duly authorized representatives of the System shall have the right to ingress to and egress from the premises of the consumer at all reasonable times for the purpose of reading, testing, inspection, repairing, replacing or removing its meters or other property, or inspecting the customer installation or for the purpose of removing its property on the termination of its contract or on discontinuance of service from whatever cause. Any

Date of Issue: August 7, 2002

Issued By _____

Date Effective: August 7, 2002

Title: President and CEO

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 7
Cancelling PSC No. 3
Original Sheet No. 7

RULES AND REGULATIONS

employee of the utility whose duties require him to enter the customer's premises shall wear a distinguishing uniform or other insignia, identifying him as an employee of the utility, or show a badge or other identification which will identify him as an employee of the utility.

VIII. Continuity of Service

1. Regularity of Supply

The System will use reasonable diligence to provide and maintain uninterrupted service; but in case of cessation, deficiency, variation in voltage, or any other failure or reversal of the service, resulting from act of God, public enemies, accidents, strikes, riots, wars, repairs, orders of Court, or other acts reasonably beyond the control of System, it shall not be liable for damages, direct or consequential, resulting from such interruption or failure.

2. Notice of Trouble

Customer shall give immediate notice at the office of System of any interruptions, or irregularities or unsatisfactory service and of any defects known to customer.

System may at any time that it deems necessary, suspend the supply of electrical energy to any customer or customers for the purpose of making repairs, changes, or improvements upon any part of its system.

It shall make effort to furnish reasonable notice of such discontinuance to customers, where practicable.

3. Relocation of Delivery Point

If the System shall be required to place underground any portion of its wires, or service supply lines, or relocate any poles or feeders, the customer shall change the location of his point of delivery at his own expense. Points of delivery and metering equipment shall be relocated to the exterior surface of any building or structure, at the customer's expense, in the event the customer requires relocation due to remodeling or expansion.

IX. System's Right to Discontinue Service

1. Without Notice

The System reserves the right to discontinue the supply of electric service to any customer or customers without notice for any of the following reasons:

- a. When a dangerous condition is found to exist on the customer's or applicant's premises. The System shall notify the customer immediately in writing and, if possible, orally of the reasons for the termination or refusal of service.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 8
Cancelling PSC No. 3
Original Sheet No. 8

RULES AND REGULATIONS

b. For fraudulent representation as to the use of electric service. The System shall, within 24 hours after such termination, send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.

c. For repairs or emergency operations.

d. For unavoidable shortage or interruptions in the System's source of supply.

e. Whenever such action is necessary to protect System from fraud or abuse.

f. Upon cancellation of contract.

2. With Reasonable Notice

The System reserves the right to discontinue service on reasonable notice in accordance with 807 KAR 5:006 Section 14:

a. For non-payment of bill after –(1) reasonable effort to induce customer to pay (2) at least ten (10) days written notice and 27 days after mailing date of original bill. Notice shall be mailed or otherwise delivered to the last known address of the customer. The termination notice to residential customers will be separate from the bill and will include written notification to the customer of the existence of local, state, and federal programs providing for the payment of utility bills under certain conditions, and of the address and telephone number of the Department of Social Insurance of the Cabinet for Human Resources to contact for possible assistance.

b. If any entry to its meter or meters is refused or if entry to access to any of its property is obstructed or hazardous for any cause of reason.

c. If these Rules and Regulations of the System's Standard Requirements are violated.

3. Service Trip Charge

A charge will be made for each service trip made for the following reasons:

a. A trip charge of \$25.00 will be made to read a meter when the customer has failed to read the meter for three (3) consecutive billing periods.

b. A trip charge of \$25.00 will be made to collect a delinquent bill after written notice has been sent to the customer stating that if the bill is not paid by a certain date, the service will be disconnected in accordance with 807 KAR 5:006 Section 9 (3)(c).

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 9
Cancelling PSC No. 3
Original Sheet No. 9

RULES AND REGULATIONS

- c. A trip charge of \$25.00 will be made during regular working hours, \$65.00 for overtime hours to reconnect a meter that has been disconnected for nonpayment of bills or for violation of the Cooperative's Rules and Regulations.
- d. A trip charge of \$25.00 will be made for a request meter test if such test shows that the meter was not more than 2% fast or slow.
- e. A trip charge of \$25.00 will be made for a trip for regular work hours reconnection at same locations when off due to desire of customer. Reconnection charge after regular working hours shall be \$65.00 dollars.

X. Foreign Electricity

No other source of supply of electricity shall be introduced or used by customer in conjunction with service supplied without written consent of System.

XI. Resale of Service

All purchased electric service on the premises of the customer shall be supplied exclusively by the System, and the customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of, the electric service, or any Part thereof, without the consent of the System.

XII. Meters

1. Separate Meter for Each Service

The System will normally furnish a single meter at the point of connection on the customer's premises. Any customer desiring service at two or more separately metered points of connection to the System shall be billed separately at each such point and the registrations of such meters shall not be added for billing purposes.

2. Tests

The System, at its expense, will make periodic tests and inspections of its meters in order to maintain them at a high standard of accuracy.

The System will make additional tests or inspections of its meters at the request of a customer, but reserves the right to make a charge of \$25.00 to cover the expense involved when such test shows the meter to be correct within two percent. The amount of additional charges or refunds due as a result of meters testing greater than + or -2% shall be determined in accordance with 807 KAR 5:006 Section 10.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 10
Cancelling PSC No. 3
Original Sheet No. 10

RULES AND REGULATIONS

3. Non-Registration of Meter

When a meter fails to correctly register the amount of electricity consumer used during any period, the amount of unregistered usage will be based on the usage as registered on the meter replacing the defective meter.

4. Special Measurement

The System shall have the right, at its option and at its expense, to place special meters or instruments, on the premises of any customer for the purpose of special tests of all or any part, of the customer's load.

XIII. Billing

1. Billing Period

Bills for regular service will be rendered monthly from meter readings of the 1st of the preceding month, or otherwise computed according to System's Rate Schedules and Rules and Regulations then in effect, and shall be due on the date determined by the System.

Bills for special, or short-term service, including the cost of connection and disconnecting, may be rendered at the discretion of System, and shall be payable on demand. All bills for regular services are payable on demand. All bills for regular services are payable monthly, during business hours at the office of the System or at such other places as may be designated by the System.

Each bill for electric services shall show the following: class of service; present and last preceding meter readings; date of the present reading; number of units consumed; meter constant; net amount for services rendered; all taxes; any adjustments; the gross amount of the bill; the date after which the penalty shall apply; and whether the bill is estimated or calculated.

2. Budget Plan-Residential Consumers

A budget payment plan has been developed whereby a residential customer may elect to pay a fixed amount each month on a yearly basis, in lieu of monthly billings based on actual usage. The monthly budget payment will be determined by the Cooperative based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year. The customer's account may be adjusted through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last budget amount.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 11
Cancelling PSC No. 3
Original Sheet No. 11

RULES AND REGULATIONS

Qualifications

Residential customers, having complied with the rules and regulations of the Cooperative and receiving electric service from the Cooperative for not less than 6 months, may elect to pay a fixed amount each month based on the estimated annual usage of such customer. Any customer, meeting the above qualifications, may make the election for budget billing by signing, prior to the start of the budget year, a standard letter which states the amount of the monthly payment and the rights of both the customer and the Cooperative.

Budget Year

The first budget payment of the budget year is due with the September 1st billing. The August 1st billing is considered the settlement month or end of budget year in which case, the account must be paid in full based on the actual amount due thru the actual usage as of June 30th.

Disqualifications

If the customer at any time fails to make payment within 27 days of the date of bill, the system shall reserve the right to cancel the fixed monthly amount and bill the customer based on the actual monthly usage.

3. Waiver of Minimum Monthly Payment

If System is prevented from furnishing, or if customer is prevented from receiving all or any considerable portion of the electric service contracted for, and should such failure to deliver or receive be due to acts of God, or to public enemies, strikes, riots, wars, orders of Court, or to other acts reasonably beyond the control of either the System or the Customer, then the minimum monthly payment provided for shall be waived or adjusted, not, however, for a period longer than three months.

4. Prompt Payment

Any customer paying bill for electric service within the period specified in the applicable rate schedule shall be entitled to pay the net amount as set forth in the schedule under which service is supplied provided customer is not delinquent on any previous bill.

5. Failure to Pay

If at any time, the customer shall fail to make payment of any bill rendered by the System for electric service, and if such failure continues for twenty-seven days after the billing date, the System shall have the right either to cancel the contract in which case the minimum charges as provided in the schedule for the unexpired term of the contract shall thereupon be payable to the System as liquidated

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 12
Cancelling PSC No. 3
Original Sheet No. 12

RULES AND REGULATIONS

damages-or to discontinue all service under contract after giving 10 days written notice of intent to discontinue service, until all payments due from the customer shall have been made.

6. Failure to Receive a Bill

Failure to receive bill will not entitle customer to any discount or the remission of any charge for non-payment within the time specified.

7. A \$15.00 fee will be charged for a returned check.

8. Monitoring Usage

The System shall monitor usage on a monthly basis thru the projected billing system. Any unusual deviations shall be investigated by the System pursuant to 807 KAR 5:006, Section 10 (3).

XIV.

1. Procurement by Customer

Obtaining easements and right-of-way necessary to extend service shall be the responsibility of the System, however, the cost of obtaining easements or right-of-way shall be included in the total per foot cost of an extension, and shall be apportioned among the System and the customer in accordance with 807 KAR 5:041 Section 11.

2. Delays

Applications for service for an extension to be constructed where a right-of-way is not owned by the System, will only be accepted subject to delays incident to obtaining a satisfactory right-of-way.

XV. Beginning and Ending Service

Any customer starting the use of service without first notifying and enabling the system to read the meter will be held responsible for any amount due for service supplied to the premises from time of last reading of meter, immediately preceding his occupancy, as shown by System books. Customer shall give three (3) working days notice in person, in writing, of intended removal from premises and is liable for service taken within that time frame to provide for either the meter to be read or disconnected.

Notice of discontinuance of service prior to the expiration of a contract-term will not relieve a Customer from any minimum or guaranteed payment under any contract or rate.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 13
Cancelling PSC No. 3
Original Sheet No. 13

RULES AND REGULATIONS

XVI. Extensions

1. Rate, Terms and Conditions

The System's overhead distribution system will be extended to supply new customers who elect to take service under the rates of the System and the provisions of its line extension requirements.

2. Trunk Line Construction

The System will construct, own and maintain overhead supply facilities, secondary, primary, or high tension, located on the highway, or on rights-of-way acquired by the System and used or usable as a part of System's general supply system.

3. Obligation to Extend

A. Overhead to Permanent Dwelling:

For this policy, a permanent dwelling shall be one which has an approved septic system and is expected to be utilized as a year round living facility. This section shall also include all doublewide mobile homes or mobile homes attached to a permanent masonry foundation.

- (1) An extension of 1,000 feet or less shall be made by FME to its existing distribution line without charge for a prospective consumer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to the point of attachment from the distribution line at the last pole shall not be included in the foregoing measurements.
- (2) For an extension beyond 1,000 feet (excluding service drop) the customer shall be charged \$3.00 per foot. Excessive right-of-way charges may be applicable. Right-of-way charges will be based on the hourly cost that Fleming-Mason Energy has contracted. This price is subject to change.
- (3) Each customer receiving service under such extension will be reimbursed under the following plan: Each year, for a refund period of not less than ten (10) years, FME shall refund to the customer(s) who paid for the excessive footage the cost of 1,000 feet of extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid to the utility. No refund shall be made after the refund period ends.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 14
Cancelling PSC No. 3
Original Sheet No. 14

RULES AND REGULATIONS

B. Service to Individual Mobile Homes

The Cooperative will, subject to its established rules and regulations provide electric service, under the following conditions, to individual mobile homes with acceptable meter pole and approved service equipment.

- (1) All extensions of up to 150 feet from the nearest facility shall be made without charge.
- (2) Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made provided the customer shall pay the utility a "customer advance for construction" of \$50 in addition to any other charges required by the utility for all customers. This advance shall be refunded at the end of one year if the service to the mobile home continues for that length of time.
- (3) For extensions greater than 300 feet and less than 1000 feet from the nearest facility, the utility may charge an advance equal to the reasonable cost incurred by it for that portion of the service beyond 300 feet plus \$50.
- (4) This advance shall be refunded to the customer over a four-year period in equal amounts for each year the service is continued.
- (5) If the service is discontinued for a period of 60 days, or should the mobile home be removed and another not take its place within 60 days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
- (6) No refunds shall be made to any customer who did not make the advance originally.
- (7) For extensions over 1,000 feet, the policies set forth in Section XVI, No. 3 (A) (2) shall apply. Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of No. 3 (A) (3). shall apply.

C. Service to Barns, Camps, Temporary Structures, Signs, and/or Facilities other than Permanent Dwellings:

- (1) All extensions of up to 300 feet from the nearest facility shall be made without charge.
- (2) All extensions over 300 feet will be billed at \$3.00 per foot. Excessive right-of-way charges may be applicable. Right-of-way charges will be based on the hourly cost that Fleming-Mason Energy has contracted. This price is subject to change.
- (3) Each customer receiving service under such extension will be reimbursed under the following plan: Each year, for a refund period of not less than ten (10) years, FME shall refund to the customer(s) who paid for the excessive footage the cost of 1,000 feet of extension in place for each additional permanent structure connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid to the utility. No refund shall be made after the refund period ends.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 15
Cancelling PSC No. 3
Original Sheet No. 15

RULES AND REGULATIONS

D. The Cooperative will install underground distribution lines to a new residential subdivision under the following conditions:

- (1) Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment, will assure that all property owners will receive safe and adequate electric service for the foreseeable future.
- (2) All single-phase conductors installed by the utility shall be underground. Appurtances such as transformers, pedestal mounted terminals, switching equipment and meter cabinets may be placed above ground.
- (3) Multi-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual multi-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in either of which case the differential cost of underground shall be borne by the Applicant. (807 KAR 50:065 Sec. 20)
- (4) If the Applicant has complied with the requirements herein and has given the Cooperative not less than 120 days written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the Cooperative.) However, nothing in this policy shall be interpreted to require the Cooperative to extend service to portions of the subdivisions not under active development.
- (5) A non-refundable payment shall be made by the Applicant equal to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by Applicant shall be determined from the total footage of single-phase primary, secondary, and service conductor to be installed at an average per foot cost differential in accordance with the Average Cost Differential filed herewith as Exhibit A, which Average Cost Differential shall be updated annually as required by order dated February 2, 1973 of the Public Service Commission in Administrative Case No. 146 (Three (3) wire secondary and service conductor runs shall be considered as one conductor, i.e. triplex) The average cost differential per foot as stated is representative of construction in soil free of rock, shale, or other impairments which increase cost of construction. Where rock, shale, or other impairments are anticipated or encountered in construction the actual increased cost of trenching and backfilling shall be borne by the Applicant.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 16
Cancelling PSC No. 3
Original Sheet No. 16

RULES AND REGULATIONS

-
- (6) The Applicant may be required to deposit the entire estimated cost of the extension. If this is done, the amount deposited in excess of the normal charge for the underground extensions, as provided in paragraph 5 above, shall be refunded to the Applicant over ten (10) year period as provided in Public Service Commission Rule Elec-807 KAR 50:065 Sect. 10.
- (7) The Applicant may be required to perform all necessary trenching and backfilling in accordance with the Cooperative's specifications. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling.
- (8) The Cooperative shall furnish, install, and maintain the service lateral to the Applicant's meter base, which normally will be at the corner of the building nearest the point to be served.
- (9) Plans for the location of all facilities to be installed shall be approved by the Cooperative and the Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or construction shall be at the sole expense of the Applicant.
- (10) The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
- (11) The charges specified in these rules are based on the premise that each Applicant will cooperate with the utility in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.
- (12) All electrical facilities shall be installed and constructed to comply with the rules and regulations of the Public Service Commission, National Electric Safety Code, Fleming-Mason Energy Specifications, or other rules and regulations which may be applicable.
- (13) Service pedestals and method of installation shall be approved by Fleming-Mason Energy prior to installation.
- (14) In unusual circumstances, when the application of these rules appear impracticable or unjust to either party, or discriminatory to other customers, the Cooperative or Applicant shall refer the matter to the Commission for a special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.
- (15) Rights of Way and Easements
- (a) The Cooperative shall construct, own, operate and maintain distribution lines only along easements, public streets, roads and highways which are by legal right accessible to the utility's equipment and which the utility has the legal right to occupy, and on the public lands and private property across which rights of way and easements

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 17
Cancelling PSC No. 3
Original Sheet No. 17

RULES AND REGULATIONS

satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.

- (b) Right of way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by the Applicant in reasonable time to meet service requirements. The Applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative obligating the Applicant and subsequent property owners to provide continuing access to the utility for operation, maintenance or replacement of its facilities, and to prevent any encroachment in the utility's easement or substantial changes in grade or elevation thereof.
- (16) The subdivision being developed must consist of a tract of land which is divided into ten (10) or more lots for construction of new residential buildings or the land on which is constructed two (2) or more new multiple occupancy building (refer to the PSC Electric Rules, Appendix A for definitions of terms).

E. Special Extensions

When the Cooperative is required to convert existing facilities, construct new facilities, or add to the prevailing distribution facilities to provide multi-phase service the applicant will be required to make an advance contribution in aid of construction equivalent to the current estimated labor and overhead cost difference of construction single-phase versus multi-phase facilities for the first 1000 feet of required construction. All construction in excess of 1000 feet will require an advance contribution-in-aid of construction equivalent to the estimated current labor and overhead cost to provide the required facilities.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 18
Cancelling PSC No. 3
Original Sheet No. 18

RULES AND REGULATIONS

XVII. General

1. Office of System

Whenever these regulations provide that notice be given or sent to the System, or office of the System, such notice delivered or mailed, postage prepaid, shall be deemed sufficient. The date of receipt shall be considered the working day received at the System's office or post office box.

2. No Prejudice of Rights

The failure by the System to enforce any of the terms of this Tariff shall not be deemed as a waiver of the right to do so.

3. Billing Charges

Where customers are found to be on an improper rate, as the result of an investigation, made at Customer's request or by routine inspection, the change of billing to the proper rate will apply to the bill for the month during which the check is made.

4. Exceptional Cases

The usual supply of electric service shall be subject to the provisions of this Tariff; but where special service-supply conditions or problems arise for which provisions is not otherwise made, the System may modify or adapt its supply terms to meet the peculiar requirements of such cases after such changes as indicated are approved by the Energy Regulatory Commission.

5. Assignment

Subject to the Rules and Regulations, all contracts made by the System shall be binding upon and oblige, and insure to the benefit of the successors and assigns, heirs, executors, and administrators, of the parties thereto.

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 19
Cancelling PSC No. 3
Original Sheet No. 19

RULES AND REGULATIONS

Definitions of Terms and Explanation of Abbreviations

AC	Alternating current .
Available Rate	A rate which may be obtained by a customer if his use of service conforms to the character of supply contemplated in a rate and his location is such that this service can be supplied from existing facilities of System or can be reached by an extension not exceeding 1000 feet in length.
Billing Demand	The assessed or measured demand after correction, if any, for power factor.
Connected Load	The aggregate of all devices on the premises of the Customer which are connected to the System's service, or which can be simultaneously connected by the insertion of fuses or by closing of a switch, the manufacturer's correct rating being used to determine the magnitude of the load. In absence of such manufacturer's rating, or whenever a test by the System shall indicate improper design or rating of a device, the rating will be determined on the basis of the kilovolt-amperes required for its operation.
Continuous Service	Service which the System endeavors to keep available at all times.
Customer	Any person, firm, corporation or body politic applying for or receiving service from the System.
Demand	<p>The maximum rate-of-use of energy. The demand may be: Measured by a recording or indicating instrument showing, unless otherwise specified, the greatest fifteen-minute-rate-of-use of energy.</p> <p>Estimated at the per cent of the connected load or other basis specified in the service classification, specifically determined. In the case of hoists, elevators, welding machines, electric furnaces, or other installations where the use of electricity is intermittent or subject to violent fluctuation, the demand may be estimated instead of measured, as provided in service classification.</p>
Energy Charge	A charge based on kilowatt-hours use.
HP	Horse power as used therein, horsepower shall be computed as the equivalent of 746 watts.
KVA:kilovoltampere	Unit or measurement of rate-of-use which determines electric capacity required; it is obtained by multiplying the voltage of a circuit by its amperage.
KV: Kilowatt	Amount of measurement of rate-of-use of electrical energy; 1000 watts
KW-hr: Kilowatt-hour	Unit measurement of quantity of energy; an amount equivalent to the use of 1000 watts for one hour

Fleming-Mason Energy Cooperative Inc.
PO Box 328
Flemingsburg KY 41041
Name of Issuing Corporation

For All areas served
Community, Town or City
KY PSC No. 3
1st Revision Sheet No. 20
Cancelling PSC No. 3
Original Sheet No. 20

RULES AND REGULATIONS

Limited Period Service	Service which will be supplied only during certain hours of the day of the year as stated in the rate or rider to which it applies.
Month	A month under the Tariff means one-twelfth of a year, or the period of approximately thirty days between two regular consecutive readings of the System's meter or meters installed on the Customer's premises.
Point of Delivery	That single point at which the service supply lines or other equipment of the system terminate and the Customer's facilities for receiving the service begin.
Power Factor	As used herein, power factor, is in a single-phase circuit, the ratio of the watts to the voltamperes, and in a polyphase circuit, is the ratio of the total watts to the vector sum of the voltamperes in the several phases.
Pronouns	The masculine, singular, pronoun relates to Customer, whether male, female, partnership or Corporation.
Property Line	The division-line between land held in or for private use, and land in which the public or the System has a right of use; or, the division line between separately owned or occupied land.
Service	The supply of capacity for use by the customer, including all things done by the System in connection with such supply.
Standard Single-Phase Secondary	Alternating current, 60 cycles, nominally 120 volts, 2 wires, or nominally 120-240 volts, 3 wires.
Standard Polyphase Secondary	Alternating current, 60 cycles, nominally 240 volts, 3 phase, 3 wire.
Standard Primary	Unregulated alteration current, subject to special contract.
Standard High Tension	Unregulated alternating current, subject to special contract.